

**London Borough of Sutton Pension Fund**

# **Conflict of Interest Policy**

(March 2026)

# Contents

|  |           |
|--|-----------|
| <b>1. Introduction</b>   | <b>3</b>  |
| <b>2. To whom this Policy Applies</b>  | <b>3</b>  |
| <b>3. Responsibilities</b>   | <b>4</b>  |
| <b>4. What is a Conflict or Potential Conflict?</b>                                  | <b>5</b>  |
| <b>5. Areas of potential conflict that are specific to the LGPS</b>                  | <b>5</b>  |
| <b>6. Gifts and Hospitality</b>  | <b>6</b>  |
| <b>7. Managing Conflicts of Interest</b>   | <b>7</b>  |
| <b>8. Operational procedure for elected and co-opted Members and Senior Officers</b> | <b>8</b>  |
| <b>9. Operational procedure for advisers</b>   | <b>9</b>  |
| <b>10. Monitoring and Reporting</b>  | <b>10</b> |
| <b>11. Key Risks and Mitigation</b>  | <b>10</b> |
| <b>12. Costs</b>   | <b>11</b> |
| <b>13. Approval and Review</b>   | <b>11</b> |
| <b>Appendix 1 - Examples of situations where a conflict of interest may arise</b>    | <b>12</b> |
| <b>Appendix 2 - Sample of Declaration of Interest Form</b>                           | <b>14</b> |

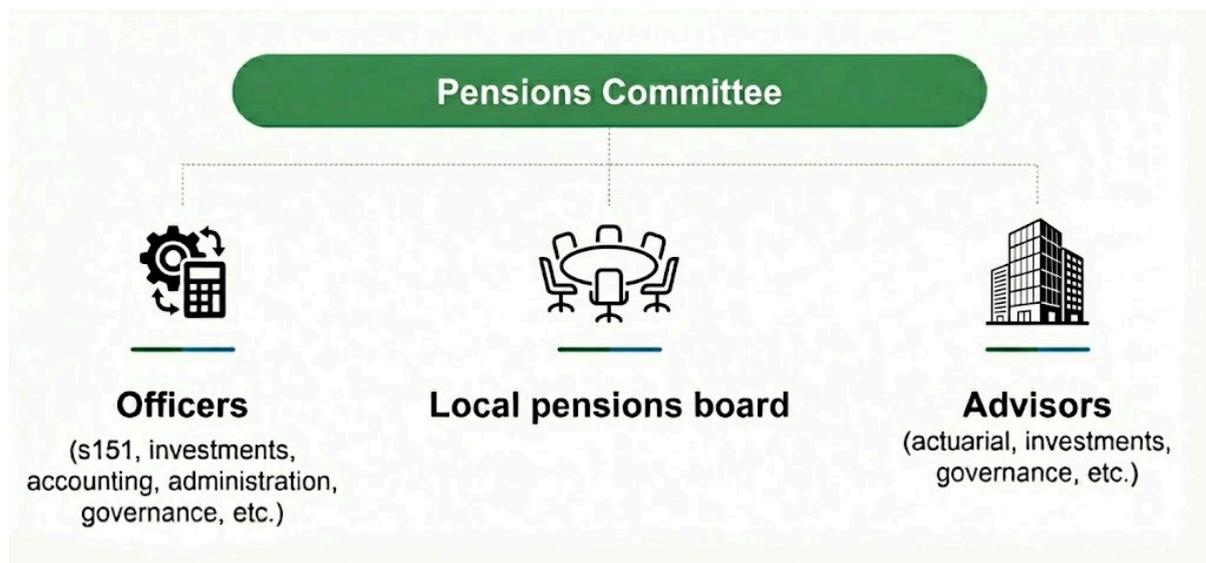


# 1. Introduction

This is the Conflicts of Interest Policy of the London Borough of Sutton Pension Fund (“the Fund”), which is managed and administered by Sutton Council. The Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Fund, whether directly or in an advisory capacity.

This Conflicts of Interest Policy is established to guide the Pension Committee Members, Board Members, Fund Officers and advisers. Along with other constitutional documents, including the Pension Committee and Board Terms of Reference, the Council's employee Code of Conduct, the Code of Conduct for Members and relevant Human Resources policies, it aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing the Fund's decision-making or management.

This Conflicts of Interest Policy is vital for all the stakeholders in the Fund to assist in complying with the law and meeting the Fund's objective to act with integrity.



## 2. To whom this Policy Applies

This Conflict of Interest Policy applies to:

- All members of the Pension Committee and the Pension Board, including scheme members and employer representatives, whether voting members or not.
- The Strategic Director of Resources (Section 151 Officer), and any other officer of the London Borough of Sutton who has responsibilities relating to the Fund.
- All advisers and suppliers to the Fund, whether advising the Pension Board, Pension Committee or Fund officers. This includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third-party administrators, fund managers, lawyers, custodians and Additional Voluntary Contribution (AVC) providers.

### 3. Responsibilities

Sutton Council, as the Administering Authority for the Fund, must be satisfied that conflicts of interest are appropriately managed. For this purpose, the Section 151 Officer for Sutton Council is the designated individual for ensuring the procedures below are carried out.

However, it is also the responsibility of each individual covered by this Policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties, to declare and register interests and to seek advice and where necessary withdraw from meetings if there is a conflict.

The Section 151 Officer will monitor potential conflicts for less senior officers involved in the daily management of the Fund and highlight this Policy to them as appropriate.

This Policy and the issue of conflicts of interest, in general, must be considered in light of each individual's role, whether this is a decision-making role (e.g., the Pension Committee), a scrutiny and assistance role (e.g., the Pension Board), or an advisory/officer role. It should include responsibilities representing the Fund on other boards, committees, groups and bodies.

[Pension Committee Members](#) – Elected and co-opted members of the Pension Fund Committee responsible for understanding their obligations under the [London Borough of Sutton Constitution](#), including the Code of Conduct for Members, and this Policy, including ensuring their declarations of interest are accurate and up-to-date and adhering to the operational processes set out in this Policy.

[Pension Board Members](#) – Board members are responsible for understanding their obligations under the [Public Service Pensions Act 2013](#) and this Policy, including their distinct role in assisting the Administering Authority. They must adhere to the operational processes set out in this Policy to ensure they can provide impartial scrutiny.

Officers - Officers are responsible for understanding their obligations under the employee Code of Conduct and this Policy and for adhering to the operational processes set out in this Policy.

Advisers - In accepting any role covered by this Policy, advisers agree that they must:

- acknowledge any potential conflict of interest they may have;
- be open with the Administering Authority and any other body on which they represent the Administering Authority on any actual or potential conflicts of interest they may have;
- adopt practical solutions to managing those conflicts;
- plan ahead and agree with the Administering Authority on how they will manage any conflicts of interest which arise in future.

The procedures outlined later in this Policy provide a framework for each individual to meet these requirements.

## 4. What is a Conflict or Potential Conflict?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions.

There are three different types of conflict of interest:

- Actual Conflict - A direct conflict currently exists.
- Potential Conflict - A situation that could develop into an actual conflict.
- Perceived Conflict - A situation where a reasonable, outside observer could think a conflict exists, even if one doesn't.

A conflict of interest may arise when an individual:

- has a responsibility or duty in relation to the management of, or provision of advice to, the Fund;
- at the same time has a separate personal interest (financial or otherwise);
- has another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility;
- has an interest due to a family member or close associate having a specific responsibility or interest in a matter.

For clarity, in line with the Public Service Pensions Act 2013, a conflict of interest does not include a financial or other interest arising merely by virtue of an individual's membership of the Pension Fund.

## 5. Areas of potential conflict that are specific to the LGPS

There are areas of potential conflict that the Scheme Advisory Board (SAB) identifies as specific to the LGPS. They apply to Pension Fund Committee and Board Members, as well as officers, advisers and suppliers and are to be managed in the same way as other conflicts of interest under this and other relevant policies:

- Any commercial relationships between the administering authority or host authority and other employers in the Fund/or other parties which may impact decisions made in the best interests of the Fund. These may include shared service arrangements which impact the Fund operations directly but will also include outsourcing relationships and companies related to or wholly owned by the Council, which do not relate to pension fund operations.
- Contributions setting for the administering authority and other employers.

- Cross-charging for services or shared resourcing between the administering authority and the Fund.
- Dual role of the administering authority as owner and client of a pool.
- Local investment decisions.

A table of illustrative examples of potential conflicts and the actions that may be taken is included in Appendix 1.

## 6. Gifts and Hospitality

The acceptance of gifts and hospitality can lead to potential conflicts of interest or the perception of conflicts of interest. All individuals covered by this policy must exercise caution to protect the integrity of the Fund and the Council. Members are required to comply with the Council's Code of Conduct for Members, and Officers are required to comply with the employee Code of Conduct.

The following is a summary of the key principles from those codes:

### **For Members (Pension Committee and Pension Board)**

- Acceptance - Must not accept any gift or hospitality, irrespective of value, which could give rise to a "reasonable suspicion of influence," especially from persons doing or seeking to do business with the Fund.
- Declaration - Must notify Committee Services of any gift, benefit, or hospitality with a value in excess of £35 within 28 days of receipt.

### **For Officers**

- Gifts - Must not be accepted, other than "insignificant and impersonal items of token value" (e.g., pens, diaries). Gifts of more than token value are not acceptable.
- Hospitality - Should only be accepted if there is a "genuine need to impart or receive information" or to "represent the Council" (e.g., at a community or industry event).
- Authorisation - All hospitality must be for demonstrable benefit to the Council/Fund and must be authorised in advance by a Manager.
- Costs - Where possible (e.g., for site visits or equipment inspections), the Fund/Council should meet its own costs to avoid any sense of obligation.

### **Overarching Rule for all Pension Fund Personnel**

To avoid any perception of improper influence, all individuals must be particularly sensitive to the timing of any offers. Any offer of gifts or hospitality from a current or potential supplier (e.g., a Fund Manager or adviser) during a tender, procurement, or key decision-making process must be declined and reported to the Section 151 Officer.

## 7. Managing Conflicts of Interest

Sutton Council, as Administering Authority, will encourage a culture of openness and transparency and will encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed.

The Administering Authority will evaluate the nature of any interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

Elected and co-opted members of the Pension Committee need to ensure their register of disclosable pecuniary and other registrable interests is up to date and actively considered at each meeting of the Committee whether they have any prejudicial interests (whether personal or pecuniary) in any matter of Fund business. In addition Councillors should consider any other interests which may impact participation in Committee meetings. Participation in meetings should be considered in line with the Councillors Code of Conduct and in the context of the Seven Nolan Principles of Public Life.

Officers will need to consider whether they have any conflicts of interest as defined in this Policy and, if so, declare these in accordance with the procedures set out in this Policy so that appropriate management action and mitigation can be considered.

Advisers and suppliers to the Fund also need to consider whether any of the above conflicts of interest apply to their contract with the Administering Authority and, if so, declare them in accordance with the procedures set out in this Policy so that appropriate mitigation can be considered.

Ways in which conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue;
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pension Committee or Board meeting);
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permits this to happen).

In respect of elected and co-opted members of the Pension Committee, there are requirements in the Localism Act 2011 and the Council's Constitution that require the disclosure of pecuniary interests and regulate member participation in matters relating to such interests. These requirements must be adhered to by all Members of the Pension Committee and elected members of the Pension Board.

The above is not an exhaustive list of the measures that may be taken in respect of a particular conflict, and the Administering Authority will, having taken any appropriate professional advice, endeavour to manage conflicts that arise reasonably and proportionately.

## 8. Operational procedure for elected and co-opted Members and Senior Officers

The following procedures must be followed by all individuals to whom this Policy applies.

| What is required  | How this will be done  |
|---|--|
| <p>Step 1 - Initial identification of interests which do or could give rise to a conflict.</p>    | <p>On appointment to their role, individuals will declare interests as follows:</p> <p><b>Elected/Co-opted Members (of Committee and Board):</b><br/>The statutory register of interests held by Committee Services will serve as the primary declaration for this policy. Members are not required to complete the form in Appendix 2, but must ensure their statutory register is up-to-date and comprehensive.</p> <p><b>Pension Board Representatives:</b><br/>Pension Board members who are not elected councillors (e.g., scheme and employer representatives) must complete the Registration of Interest Form in Appendix 2.</p> <p><b>Senior Officers:</b><br/>Officers will complete the form in Appendix 2, which will be held by the Section 151 Officer. These declarations are confidential and will be managed in accordance with the Council's employee privacy and data protection policies.</p> <p><b>Advisers:</b><br/>Advisers will be required to complete the Registration of Interest Form in Appendix 2 or provide an equivalent declaration from their own firm.</p> <p>The Fund will collate these declarations to form the Pension Fund's record of interests.</p> |
| <p>Step 2 - Ongoing notification and management of potential or actual conflicts of interest.</p> | <p>At the commencement of any meeting of the Pension Committee, Pension Board, or other formal meeting where pension fund matters are to be discussed, the Chair will ask all those present to declare any interests relevant to the agenda (including those already on the register and other non registrable interests).</p> <p>These will be recorded in the record of the meeting, Councillors are reminded that they are required to update their register of interests within 28 days of any change in circumstances.</p>  |

|  |  |
|--|--|
|  | <p>Any individual who considers that they or another individual has a potential or actual conflict of interest, as defined by this Policy, which relates to an item of business at a meeting, is asked to advise the Chair and the Section 151 Officer as soon as they become aware of it and preferably prior to the meeting.</p> <p>In the case of Councillors, under Section 34 of the Localism Act 2011, failing to register or declare a disclosable pecuniary interest (DPI), or participating in council business while holding one, is considered a criminal offence in England.</p> <p>If such a conflict is identified outside of a meeting, the notification must be made to the Section 151 Officer and, where it relates to the business of any meeting, also to the Chair of that meeting. The Section 151 Officer, in consultation with the Chair where relevant, will consider any necessary action to manage the potential or actual conflict.</p> <p>The Section 151 Officer is responsible for monitoring the Fund's Register of Interests on an ongoing basis to determine if any actual or potential conflict could impact the ongoing business of the Fund. Where information relating to any potential or actual conflict has been provided, the Section 151 Officer may seek such professional advice as they think fit (such as legal advice from the Monitoring Officer) on how to address any identified conflicts. Any such potential or actual conflicts of interest and the action taken must be recorded on the Fund's Register of Interests and in the record of the meeting if raised during a meeting.</p> |
| <p>Step 3 - Periodic review of potential and actual conflicts.</p> | <p>At least once every 12 months, the periodic review will be conducted as follows:</p> <p><b>Officers and Advisers:</b><br/> These individuals will be asked to complete a new Declaration of Interest (Appendix 2) to confirm that their information is correct or to highlight any changes. These declarations will be submitted to the Fund and held confidentially.</p> <p>Failure by any individual to provide the required declaration or update will be escalated by the Section 151 Officer to the Chair of the relevant Committee or Board.</p>  |

## 9. Operational procedure for advisers

All the key advisers to the Fund are expected to have their own policies on how conflicts of interest will be managed in their relationships with their clients, and these should have been shared with the Administering Authority as part of the contract award or contract management process.

All advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated;
- adhere to the principles of this Policy;
- provide, on request, information to the Section 151 Officer in relation to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to Sutton Council as Administering Authority;
- notify the Section 151 Officer immediately should a potential or actual conflict of interest arise;
- highlight at all meetings they attend any potential or actual conflict of interest in any item of business, preferably at or before the start of the meeting.

All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of Interests.

## 10. Monitoring and Reporting

The Fund's Register of Interests consists of both public and private information. Declarations from elected Members, from the Council's register, are available for inspection in line with the Localism Act 2011 and Freedom of Information Act 2000. Declarations made by Officers are confidential employee data, are not public, and are exempt from disclosure. Declarations from advisers will be treated as confidential commercial information.

In order to identify whether the objectives of this Policy are being met, the Administering Authority will review the Register of Interests on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity. This review will include an assessment of the policy's effectiveness, by confirming that declarations are being made in a timely manner and that management actions (e.g., abstentions) are being correctly recorded in meeting minutes.

## 11. Key Risks and Mitigation

The key risks to the delivery of this Policy are outlined below. All of these could result in an actual conflict of interest arising and not being properly managed. Officers will monitor these and other key risks and consider how to respond to them.

| Risk   | Mitigating Action   |
|--|---|
| Insufficient training or poor understanding in relation to individuals' roles on pension fund matters. | Briefing is provided by Officers on appointment to all new individuals covered by this Policy and is refreshed at least every three years. Officers are available to answer Members' questions at any time. |

|  |  |
|--|--|
| Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy. | Responsibilities for supporting will be shared within the Pensions Investments and Employer Liaison and Governance teams to ensure no single point of failure. |
| Failure by a Chair to take appropriate action when a conflict is highlighted at a meeting.   | Support available at each meeting from Fund Officers and advisers to advise the Chair as appropriate.  |
| A decision by an individual to disregard advice and be subject to formal action under the Localism Act 2011.   | Failure to abide by the Policy will result in a referral under the Members Code of Conduct or employee Code of Conduct as appropriate.                         |

## 12. Costs

All costs related to the operation and implementation of this Policy will be met directly by the Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

## 13. Approval and Review

This Conflicts of Interest Policy was approved on 17 March 2026 by the Pension Fund Committee. It will be formally reviewed and updated at least every three years or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS rules or other relevant Regulations or Guidance which need to be considered.

## Appendix 1 - Examples of situations where a conflict of interest may arise

The table below sets out examples of potential conflicts that might arise and the action that may be taken in response. It is intended to be illustrative only and is not intended to be an exhaustive list of all conflicts that might arise or the action that will be taken in practice in any individual case. Each conflict that arises in practice would need to be treated on its merits and action that is appropriate in all the circumstances taken.

| Scenario   | Action   |
|--|--|
| An Employer Representative on the Committee may be required to consider a policy or covenant change which could result in an increase in employer costs by the employer they represent.  | If the representative has a conflict on a particular issue with their host employer/group, they should declare this and absent themselves from any decision if they are unable to act in the best interest of the Fund and all employers and scheme members. |
| A Member of the Committee is on the board of an Investment Manager that the Committee is considering appointing.   | The Member should declare an interest and not take part in the discussion and decision on the appointment.   |
| An officer of the Fund also has responsibilities within the administering authority or relating to a shared service initiative which provides services to the Fund and which has objectives which are not fully aligned with that of the Fund. | If appropriate to the advice being provided by the officer to the Committee, the conflict should be reported, along with clarity on why the advice in question is in the best interest of the Fund.  |
| An Employer Representative on the Committee is employed by a company which the Council has commissioned services from, and the Committee is reviewing the standards of service provided by that company.                                       | The Member must declare their pecuniary interest (as a result of their employment) and not take part in the discussion of the review of the service.   |
| The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.   | The conflict should be reported, and an alternative person found to review the case.   |
| The Fund is considering alternative supply of services currently provided by the Administering Authority. The Section 151 Officer, who has responsibility for the Council's budget, is expected to approve the report to                       | The Section 151 Officer will provide advice in the best interest of the Fund, although, if appropriate, should reference the impact on the Council.  |

|   |  |
|---|--|
| <p>go to the Committee, which, if agreed, would result in a material reduction in the recharges to the Council from the Fund.</p>   |  |
| <p>Officers are asked to provide a report to the Committee on whether the administration services should be outsourced, which, if it were to happen, could result in a change of employer or job insecurity for the officers.</p>   | <p>Officers must provide advice in the best interest of the Fund, if necessary, with the presentation of the report being escalated to the Section 151 officer, and if appropriate, should reference the impact on the Council. Officers that could be directly affected by the changes would not be asked to input into the report directly.</p>  |
| <p>The Fund's investment pool (e.g., London CIV) provides primary investment advice on strategy, while also being the provider of the investment products (funds) it is recommending. The pool also provides the performance monitoring and reporting for those same funds.</p> | <p>This is a significant potential conflict. As part of its due diligence, the Fund must actively request and review evidence of the pool's internal conflict of interest policy, including its "information barriers" and procedures for managing this.</p> <p>The Fund must be satisfied with these controls. Fund Officers and the Committee must apply an additional layer of scrutiny to any advice that recommends the pool's own products and to the pool's self-reported performance data. The Fund should use its independent advisor(s) to validate this advice and performance reporting.</p> |
| <p>An officer of the Fund or Member of the Pension Committee accepts a dinner invitation or gift from an Investment Manager who has submitted a bid as part of a tender process.</p>  | <p>Both individuals must comply with the rules summarised in Section 6 of this policy. As this offer is from a potential supplier during a tender process, it falls under the Overarching Rule. The offer must be declined by both the Officer and the Member, and the offer must be reported to the Section 151 Officer.</p>  |

## Appendix 2 - Sample of Declaration of Interest Form

Form to Register Interests relating to the management of the London Borough of Sutton Pension Fund administered by Sutton Council.

This form is not required to be completed by Councillors, although it may assist Councillors in determining if they have an 'other interest' and whether your participation in a meeting is compatible with the Council's Code of Conduct and the seven Nolan principles of public life.

| Personal Details  |                                     |
|---|-------------------------------------|
| <b>Full Name</b>  |                                     |
| <b>Role</b> (Please tick one)   | <b>Pension Board Representative</b> |
|   | <b>Fund Officer</b>                 |
|   | <b>Adviser to the Fund</b>          |
| <b>Declaration of Interests</b> (Please complete all sections below. This declaration covers interests held by you, your spouse/partner, and your close family/dependants. If you have no interests to declare in a category, please write "None".) |                                     |
| <b>a) Other Employment &amp; Business</b> (Any paid employment, self-employment, directorships, or other business interests you or a close family member hold.)   |                                     |
| <b>b) Other Public or Council Roles</b> (e.g., Councillor on another authority, member of another Sutton Council committee, school governor, etc.)  |                                     |
| <b>c) Pension &amp; Investment Roles</b> (Any role (paid or unpaid) on another LGPS fund, pension scheme, investment pool (e.g., London CIV), or any body related to the Fund's investments.)   |                                     |
| <b>d) Financial Interests</b> (e.g., Significant shareholdings or partnerships in organisations that provide, or could provide, services to the Fund (such as fund managers, advisers, or administrators)   |                                     |

|   |  |
|---|--|
| <p><b>e) Personal Relationships</b> (Any close personal or family relationship with another person covered by this policy (e.g., another Committee/Board member, a Fund Officer, or a key individual at an advisory firm).)</p> |  |
| <p><b>f) Other</b> (Any other interest, loyalty, or relationship (e.g., membership of a campaign group) that could, or could be perceived to, conflict with your role at the Fund.)</p>   |  |

**Declaration & Signature**

By signing below, I acknowledge and declare the following:

- I confirm that I have received, read, and understood the London Borough of Sutton Pension Fund Conflict of Interest Policy.
- I declare that the information provided in this form is a full, accurate, and complete statement of my known interests as required by the policy.
- I undertake to notify the Section 151 Officer in writing of any changes to this information, or any new interests that arise, in a timely manner.

|                         |  |                    |  |
|-------------------------|--|--------------------|--|
| <p><b>Signature</b></p> |  | <p><b>Date</b></p> |  |
|-------------------------|--|--------------------|--|